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## Russian Federation

### Livestock and Products

## Russia Extends Brazilian Meat Ban 2005

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**Report Highlights:**

Russian and Brazilian veterinarian officials met in Moscow on December 21 to discuss the epizootic situation in Brazil after several foot and mouth (FMD) disease outbreaks. After the meeting, Russian officials announced a one-year ban on all beef and pork products from Mato Grosso do Sul and Parana and a six-month ban on six other nearby states. As a result of the ban, meat prices in Russia are expected to increase substantially since Brazil is the leading exporter of beef and pork to Russia.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
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[RS]

## Summary

The official press service of the Ministry of Agriculture reported that Russian and Brazilian veterinary officials held a high-level meeting to discuss the epizootic situation in Brazil after several foot and mouth (FMD) disease outbreaks were confirmed in southern Brazil. At the meeting, the Brazilians failed to convince their Russian colleagues that they could eradicate FMD from their territory and guarantee the well-being of their animals. According to Russian media reports, after the meeting Russian officials announced an extension to the ban on all beef and pork products from Mato Grosso do Sul and Parana and a six-month ban on six nearby states.

Experts believe that an expanded import ban would wipe out Brazilian beef and pork exports to Russia in 2006 if it lasts beyond March, which would have a significant impact on meat prices in Russia. Analysts expect pork and beef prices in Russia to increase by more than 10 percent in the near-term and up to 15-20 percent in the long-term. Brazil is the leading exporter of beef and pork to Russia.

## Russia Concerned About Frequent FMD Outbreaks in Brazil

The official press service of Russia's Ministry of Agriculture reported that the Russian and Brazilian veterinary officials held a high-level meeting in Moscow on December 21, 2005 to discuss Russian concerns of recent FMD outbreaks in Brazil. At the meeting, the Brazilians failed to convince their Russian colleagues to lift the temporary ban placed on imported beef and pork from the following Brazilian states: Mato Grosso, Goias, Sao Paulo, Minas Gerais, Parana, Santa Catarina and Rio Grande do Sul, and Mato Grosso do Sul. Restrictions were introduced on December 13 after outbreaks of FMD were registered in southern Brazil.

## High Level VPSS Officials Want Guarantees

Head of Russia's Federal Veterinary and Phytosanitary Surveillance Service (VPSS), Sergey Dankvert, emphasized that this decision was not a 'political action'. He added, "We do not want to interfere with trade, all we want is to have justified guarantees that the products imported to the territory of the Russian Federation are safe."

After the meeting, Yevgeniy Nepoklonov, Deputy Head of VPSS, stated, "Up to now we have learned just one thing: at the present time, Brazilian veterinarian services are not able to guarantee the well-being of their animals regarding this disease and how they plan to eradicate it from their territory in the shortest period of time possible. For about a year we shall ban meat products from the states of Mato Grosso do Sul and Parana, which are not safe in terms of foot-and-mouth disease, and at a minimum for half a year we shall ban meat products from the bordering states as well." In addition, Nepoklonov said, "The Brazilian side should try to restore credibility with respect to their veterinary service, if this does not happen, the period of restrictions may get extended."

## Impact of Ban on Meat Prices

Brazil is the leading exporter of beef and pork to Russia. During the first 9 months of 2005, 50 percent of all pork imports and 40 percent of all beef imports to Russia were from Brazil valued at \$700 million.

Experts believe that an expanded import ban will bring significantly higher domestic beef and pork prices, becoming noticeable once supplies of Brazilian meat currently in storage

run low after the New Year holiday season. After the initial ban established on December 13, Russia's market responded with an immediate 4-percent rise in wholesale prices for imported pork. Analysts claim that pork and beef prices in Russia will increase by more than 10 percent in the near-term and increase by 15-20 percent in the long-term.